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10 IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
11 BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD
12

13 ARTURO SANTANA GALLEGOS,

14 Petitioner,

15 vs.


16 SANTANA'S GRILL, INC.,

17 Registrant

CASE NO. Cancellation Nos.:
(Consolidated): 92043152
92043160
92043175

I hereby certify that this Motion to Re-Open Petitioner's
Testimonial Dates and to Oppose the Registrant's Motion
for Judgment, and the concurrently filed Declaration of M.
Cris Armenta, and all marked attachments, if any, are
being deposited with the United States Post Office via
Certified Mail and addressed to Trademark Trial & Appeal
Board, P.O. Box 1451, Alexandria, VA 22313-1451.

Dated: 12/1/06

Signed: M. Cris Armenta: 

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21 MOTION TO RE-OPEN PETITIONER'S TESTIMONIAL DATES AND
22 OPPOSITION TO REGISTRANT'S MOTION FOR JUDGMENT

23 Petitioner, Arturo Santana Gallegos, hereby submits this Motion to Re-Open Petitioner's
24 Testimonial Dates and Opposition to Registrant's Motion for Judgment, with respect to
25 Cancellation Proceedings Nos. 92043152, 92043160, and 92043175 (consolidated), based on the
26 good cause set forth both in this brief and in the Registrant's Motion. 37 C.F.R. § 2.121(a)(1).

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12-28-2006

U.S. Patent & TMO/TM Mail Rpt Dt. #22

1 **I. PRELIMINARY STATEMENT**

2 Petitioner Arturo Santana Gallego currently lives in Mexico. He is over 70 years old and is
3 primarily Spanish speaking. The other witnesses, Defendants in the civil action pending in the
4 United States District Court for the Southern District of San Diego, are likewise Spanish-speaking.
5 The only party to have taken depositions in this consolidated cancellation proceeding is Petitioner
6 Arturo Santana Gallego. This is an action for cancellation, arising from the actions of Petitioner's
7 son, owner of the Registrant, based on Petitioner's fraudulent registration. In brief, Petitioner,
8 unbeknownst to his own father, filed a fraudulent trademark registration, and is now attempting to
9 bar his father and father's business associate and other sons from using the family name,
10 "Santana" on Mexican-food restaurants that Petitioner Arturo Santana Gallego founded.

11 Petitioner is in failing health. Based on a desire to attempt to reunite his family, he entered
12 into settlement negotiations, in good faith, with Registrant. Petitioner's counsel always informed
13 Registrant's counsel that any settlement required the consent of all the Defendants in the civil
14 action, including Petitioner's business associate, Arturo Castaneda, and Petitioner's sons, Arturo
15 Santana and Pedro Santana. Despite valiant efforts to reach a settlement, after the settlement
16 document was translated and distributed to all concerned parties, no settlement was achieved.
17 The impetus to reach settlement was decimated when Registrant's counsel began to threaten and
18 imposed substantial monetary penalties for not entering into a settlement without the benefit of a
19 certified translation. Counsel stated that even he could not ensure that the settlement would be
20 entered into by his clients, and that there was no certainty of a settlement on the terms that had
21 been agreed upon.

22 Settlement negotiations and the desire to enter into a settlement, for the purpose of
23 reuniting the family, broke down after Registrant's counsel issued monetary threats, disregarded
24 the need to have the settlement documents properly translated, and made it abundantly clear that
25 the settlement would not, in fact, reunite this broken family. Because the parties all believed that a
26 settlement was imminent, the parties did not seek to extend the time for Petitioner's testimonial
27 period. In any event, the Registrant changed the terms of the settlement, even after it was sent out
28 to distribution to the parties in translated Spanish, unilaterally imposing a monetary penalty if the

1 agreement was not signed by a unilaterally and arbitrarily selected date.

2 Finally, the judgment of default would not be in the best interests of any of the parties, nor
3 in the best interests of the public. The trademark at issue, Santana's (for use in connection with
4 Mexican restaurants) belongs squarely with the founder of the restaurants, Petitioner Arturo
5 Santana Gallego. Registrant's son and wife, surreptitiously registered a trademark for the group of
6 restaurants that Petitioner founded, and have attempted to block family members and Petitioner's
7 associate from utilizing the family name. Registrant signed a declaration in which she disclaimed
8 knowing of the existence of her own father in law and the fact that he founded the restaurant chain
9 long before Registrant owned any restaurants at all.

10 A judgment of default would not lend any finality to the issues before the Board, would not
11 prevent future actions for cancellation by other parties based on the same facts and circumstances,
12 and would not be binding upon the District Court. Petitioner Arturo Santana Gallego is the only
13 party to have taken depositions and has expended more than \$50,000 in pursuing this cancellation
14 action. His moment of weakness, if it can be so characterized that, in considering a settlement,
15 stemmed from his sincere and genuine desire to have his family stop this senseless war over his
16 own name, "Santana." In denying the Motion and Cross-Motion for Summary Judgment, this
17 Board strongly encouraged the parties to pursue settlement. The parties have done so, in good
18 faith, and should not be penalized for its efforts. The failure to earlier seek the re-setting of the
19 testimonial period flows solely from the honest and sincere belief that settlement had been
20 achieved and that a settlement would reunite this broken family. However, instead of following
21 through with the settlement and the purpose of the settlement (to reunite this broken family),
22 Registrant began to threaten and imposed monetary penalties of \$5,000 per day, for each day that
23 the settlement agreement was not yet signed, despite the fact that it had not yet been translated.
24 Further, a separate party, Arturo Castaneda, will not consent to the settlement on those terms.
25 Petitioner would have moved early to re-set testimonial periods had he been informed timely that
26 the Registrant intended to and would impose unreasonable penalties or change the material terms
27 of the settlement at the eleventh hour.

1 **II. STANDARD**

2 The Board may relieve a party from default and re-set testimonial periods under
3 Trademark Rule 2.132(a) upon a showing of “good and sufficient cause.” Old Nutfield Bewing
4 Co. v. Hudson Valley Brewing Co., 65 U.S.P.Q.2d 1701, Trademark Tr. & App. Bd., August 6,
5 2002. This standard is equivalent to the “excusable neglect” standard in Rule 6(b) of the Federal
6 Rules of Civil Procedure. See, e.g., HKG Industries, Inc. v. Perma-Pipe, Inc., 49 U.S.P.Q. 1156,
7 1157 (TTAB 1998); Grobet File Co. of America, Inc. v. Associated Distributors Inc., 12
8 U.S.P.Q.2d 1649, 1651 (TTAB 1989). The factors to consider include the danger of prejudice to
9 applicant, the length of the delay and its potential impact on judicial proceedings, the reason for
10 the delay and whether it was within the reasonable control of opposer, and whether opposer acted
11 in good faith.

12 **III. ARGUMENT**

13 A. There Is No Prejudice to the Applicant By Resetting the Testimonial Dates

14 Registrant has not taken a single deposition in this case. By contrast, the Petitioner has
15 expended substantial sums of legal fees in discovery and has taken the deposition of the owners of
16 the Registrant. Registrant has not even bothered to take the deposition of Registrant. Both parties
17 filed motions for summary judgment, and this Board held that further information was needed
18 with respect to Registrant’s transfer of a single restaurant to Petitioner. Despite ample time to take
19 discovery or to take the deposition of Registrant, no such deposition has been taken.

20 Registrant filed a federal civil case for infringement against his own father, brothers, and
21 his father’s associate. The district court suspended the proceeding until the Board made a decision
22 *on the merits* as to the ownership or cancellation of the disputed trademarks. Since this
23 cancellation proceeding began, Registrant initially refused, in bad faith, to engage in any
24 settlement negotiations. In fact, at the very first discussion between counsel, Petitioner’s counsel
25 discussed the possibility of finding an appropriate settlement with respect to geographic lines and
26 expansion of the restaurants. Petitioner’s counsel explained the deep-rooted need of Petitioner
27 Arturo Santana Gallego to see his family reunited and to stop the war between his sons and
28 business associate prior to his death. Registrant’s counsel’s only response was, “I am a lawyer,

1 not a social worker.” Based on that undeniable refusal to even consider enter into appropriate
2 settlement talks, Petitioner Arturo Santana Gallego proceeded to take discovery in the action
3 before the Board. Petitioner took the depositions of both his son, Abelardo Santana, and his
4 daughter-in-law, Claudia Santana Vallarta, in order to establish that Registrant lied to the United
5 States Patent & Trademark Office when submitting the declaration attendant to the trademark
6 application. Petitioner filed a Motion for Summary Judgment, which the Board denied.
7 Significantly, in the Board’s order, it strongly encouraged the parties to explore settlement.

8 Petitioner’s counsel has, at every turn, explored the notion of settlement, both for the
9 purpose of ensuring that the trademark is perfected, and also for the stated desire to try to bring
10 peace to the Santana family. After the order denying summary judgment, Petitioner attempted to
11 being settlement negotiations with Registrant’s prior counsel, Frederick Berretta. After extensive
12 settlement discussions that included many different permutations and proposals for settlement, Mr.
13 Berretta informed Petitioner’s counsel that he had been discharged for even broaching the notion
14 of settlement with his clients.

15 After Registrant’s counsel was replaced, Petitioner’s counsel again attempted to engage in
16 settlement negotiations with Registrant’s new counsel, Michael Sandstrum. The parties paid a
17 private mediator for a full day of mediation. The mediation ended with no settlement. Petitioner
18 Arturo Santana Gallego is elderly and is not in good health. After the failed mediation, Petitioner
19 Arturo Santana Gallego indicated he would simply give up, believing that simply handing the
20 trademark to his son (despite the fraud committed on the Trademark Office) would bring peace to
21 his family and closure to this rather ugly and unfortunate matter.

22 The settlement document was prepared by Michael Sandstrum, and Petitioner provided no
23 modifications to the settlement document. However, Petitioner’s counsel informed Mr. Sandstrum
24 at all times that the document needed to be translated. Registrant’s counsel drafted the document
25 as a global settlement – in other words, it required the consent of not only Petitioner Arturo
26 Santana Gallego, but also of his sons, Arturo Santana and Pedro Santana, and his business
27 associate, Arturo Castaneda. During the process of obtaining a certified translation, Registrant’s
28 counsel informed Petitioner’ counsel that delays in signing the document would begin to cost

1 Registrant \$5,000 per day. The harsh tone taken by Registrant informed Petitioner Arturo
2 Santana Gallego that a settlement in which everyone acceded all rights to Registrant would not
3 meet his primarily goal of family reunification. In fact, it is clear that if the judgment is entered,
4 other parties (including Arturo Castaneda) will file their own cancellation proceedings, and this
5 entire matter will begin anew. The would-be signators to the Settlement Agreement, were, at
6 first, in disagreement over the turn of events and the settlement, unbeknownst to Petitioner Arturo
7 Santana Gallego. Counsel considered filing a Motion to Withdraw because of an apparent actual
8 conflict between the parties. However, the parties ultimately agreed on a course of action – to stay
9 the course, and proceed with the cancellation action.

10 During the breakdown in settlement negotiations, Petitioner's counsel informed
11 Registrant's counsel that a conflict of interest may have arisen and that until she received unified
12 direction from her clients or certainly of an impasse, she could take no further actions. It would
13 have been inappropriate to seek to extend time and to waste the parties resources, if a settlement
14 was to be achieved. And, it would have been inappropriate to seek relief as counsel if the parties
15 ultimately agreed on a course of action.

16 All parties are available and prepared to have their trial testimony taken. The delay, of
17 two months, does not in any fashion prejudice the Registrant. In fact, this action has been pending
18 for more than two years. A delay of two months causes no prejudice that has not already been
19 caused. Judicial economy does not support the entry of dismissal. In fact, the opposite is true.
20 The district court stayed this action in order to hear the Board's decision *on the merits*. By failing
21 to provide a decision *on the merits*, the longevity of this matter is simply extended. The district
22 court will have to proceed, starting the litigation from the beginning, as opposed to taking this
23 Board's decision under proper advisement.

24 Registrant's claim that Registrant has expended substantial attorneys' fees in preparing for
25 testimonial periods is untrue. In fact, the only schedules that were created with respect to
26 testimonial periods were of Petitioner. Registrant refused to even stipulate to use the existing
27 depositions of the Registrant's officers in order to conserve resources, and refused to take any
28 depositions during the case. Notably, Registrant does not show any preparation for any of the

1 testimonial periods. It is clear from the extensive correspondence and settlement discussions
2 supplied by Registrant that, after Registrant's current counsel was retained, the parties spent all of
3 their efforts attempting to reach settlement. Petitioner has spent more than \$50,000 in pursuing
4 the cancellation action, in taking discovery, and in engaging in settlement negotiations. It is more
5 the fault of the Registrant, than the Petitioner, that the settlement did not occur. By engaging in
6 bad faith tactics, i.e. changing the terms of the settlement (a penalty of \$5,000 if the settlement
7 agreement was not executed), the Registrant decimated the possibility of a settlement.

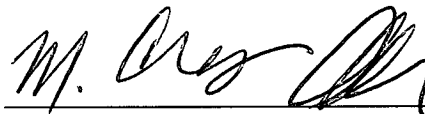
8 **IV. CONCLUSION**

9 Based on the foregoing, Petitioner Arturo Santana Gallego respectfully requests that the
10 Board, finding good and sufficient cause, reset the testimonial dates of all parties, and deny
11 Registrant's Motion for Judgment.

12 DATED: December 20, 2006

The Armenta Law Firm A.P.C.

13
14 By:



15 M. Cris Armenta
16 Attorneys for Petitioner
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1 a dialogue that might lead to a settlement, including discussions of cross-marking between the
2 restaurants (as they are located in different geographic areas). After I commenced these
3 discussions with Mr. Berretta, Mr. Berretta informed me that he had been discharged for even
4 broaching the notion of settlement with his clients.

5 5. It took until May of 2006 for the Registrant to hire new counsel, Michael
6 Sandstrum. The parties engaged a private mediator to conduct a full-day mediation in Los
7 Angeles, California. No settlement was achieved. In September 2006, counsel reached a
8 settlement, however, the settlement agreement was not finalized by Mr. Sandstrum until
9 November 8, 2006, to provide a final version of the settlement agreement. Petitioner had no
10 knowledge, at any time, that the settlement would not be agreeable to all parties that Registrant
11 were requiring to sign the agreement. It is significant to note, that the settlement agreement, called
12 for the consent *not just of Petitioner, but also third parties, including Arturo Castaneda*.

13 Petitioner does not control and cannot control Mr. Castaneda with respect to his decision to enter
14 into or to not enter into the settlement agreement. Further, it was not until Thursday, November
15 17, 2006 that Petitioner's counsel received a fully translated version of the settlement agreement.

16 6. During that period, Mr. Sandstrum advised me that Registrant would unilaterally
17 impose a \$5,000 penalty for each day the settlement agreement was not signed. This was
18 unfortunate and meant that that Registrant was unilaterally changing the material terms of the
19 settlement, with no advance notice and no basis for doing so. Based on the threat and based on
20 the disagreement of Mr. Castaneda, I considered withdrawing as counsel of record or seeking
21 relief. However, ultimately, the Petitioner, his sons and his business associate, Mr. Castaneda,
22 made a unified decision. In short, it is and has been apparent from the inception of this matter
23 that Petitioner's goal is to create peace and to unify his family, despite the actions that his son and
24 daughter in law have taken with respect to the trademark. The conclusion of the settlement
25 discussions, the threats to impose penalties where no basis existed for such a thing, made clear to
26 all parties that a settlement would not accomplish the goal of family reunification, and that it is
27 clear that Abelardo Santana and Claudia Vallarta Santana simply want to punish and extort their
28 own father, no matter what cost it takes on everyone involved.

1 7. Petitioner has incurred more than \$50,000 in legal fees since the inception of this
2 matter. On behalf of Petitioner, I request relief from any default. Although the parties had
3 initially agreed on material terms and there appeared no need to burden the Board with additional
4 requests to extend time, it did not become clear until November 13, 2006, that Registrant was
5 changing a material term of the settlement – Registrant demanded a “penalty” of \$5,000 per day
6 for each day the agreement was unexecuted, ignoring the fact that the final settlement agreement
7 was not even completed until November 8, 2006 and was not even translated by November 13,
8 2006. Had Petitioner known that Registrant would threaten and make material changes to the
9 settlement, then Petitioner would have known that no settlement was possible with Registrant and
10 would have promptly moved to extend testimonial periods or to notice trial testimony. If any
11 party has spent resources preparing for testimony, it has been Petitioner, as Petitioner prepared
12 three different times for testimonial periods, but it does not appear that Registrant has prepared for
13 any testimonial periods, noticed any trial testimony or even taken any depositions.

14 I declare under the penalty of perjury under the laws of the United States of America that
15 the foregoing is truthful and accurate and that this declaration was executed on December 20,
16 2006.



M. Cris Armenta

PROOF OF SERVICE

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am employed in the County of Los Angeles, State of California. I am over the age of eighteen years and not a party to the within action. My business address is 233 Wilshire Boulevard, Suite 400, Santa Monica, California 90401.

On December 21, 2006, I served the following document(s) described as:

MOTION TO RE-OPEN PETITIONER'S TESTIMONIAL DATES AND TO OPPOSITION TO REGISTRANT'S MOTION FOR JUDGMENT

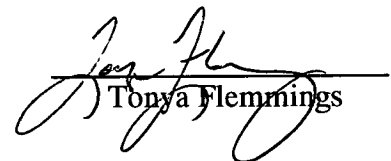
on the interested parties in this action by placing true copies thereof enclosed in sealed envelopes addressed as follows:

Michael Sandstrum, Esq.
BREMER WHYTE BROWN & O'MEARA, LLP
20320 S.W. Birch Street, 2ND Floor
Newport Beach, California 92660
Facsimile: 949 221-1001

- ☐ **BY MAIL:** I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing with the United States Postal Service. Under that practice, it would be deposited with the United States Postal Service that same day in the ordinary course of business. Such envelope(s) were placed for collection and mailing with postage thereon fully prepaid at Santa Monica, California, on that same day following ordinary business practices. (C.C.P. § 1013 (a) and 1013a(3))

I declare under penalty of perjury under the law of the United States of America that the above is true and correct and that I am employed in the office of a member of the Bar of this Court at whose direction the service was made.

Executed on December 21, 2006 in Santa Monica, California.


Tonya Flemmings